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In September...

Nonfarm Employment

Connecticut.....	1,610,600
Change over month	-0.36%
Change over year	-0.2%

United States	130,201,000
Change over month	-0.07%
Change over year	+0.3%

Unemployment Rate

Connecticut.....	9.1%
United States	9.6%

Consumer Price Index

United States	218.4
Change over year	1.1%

The Face of the Long-Term Unemployed

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After much political debate, Congress approved extending unemployment insurance benefits for the long-term unemployed until November 30, 2010. The extended Emergency Unemployment Compensation (EUC) program is 100% federally funded. This is in contrast to the regular Unemployment Compensation (UC) program that is fully State funded. The EUC program is a newly created program as of June 30, 2008 in response to the current financial crisis. It is the first time in the 75-year history of UC that benefits have been extended for up to 99 weeks.

The UC program provides unemployment compensation for a maximum of 26 weeks to eligible claimants. In the event of high unemployment rates a program called Extended Benefits (EB) triggers on, which extends unemployment compensation for another 13 to 20 weeks depending on the unemployment rate. Each week a federally mandated formula is used to calculate whether the current economic conditions warrant a State trigger onto EB. EB is 50% state funded and 50% federally funded. Before this current recession, the last time Connecticut entered onto EB status was in early 1981.

During this current recession, Connecticut, along with a number of other states, triggered onto EB in the middle of first quarter 2009. The federal government is fully funding EB as part of the American Recovery and Reinvestment Act (ARRA). The EUC program provides another 53 weeks of benefits, which allows eligible claimants up to 99 weeks of unemployment compensation.¹ The

EUC extension passed in July 2010 allows long-term unemployed individuals that were eligible but did not yet collect their full entitlement of unemployment compensation to now do so.

The following data produced by the Connecticut Department of Labor's Office of Research is presented for long-term unemployed individuals residing in Connecticut.² EUC and EB approved claimants from the start of the recession in the fourth quarter of 2007 to the present provide the total count of individuals that are, or were, unemployed for 6 months or longer. Characteristics such as age, gender, race, area of residence, and industry of employment prior to becoming long-term unemployed are examined to put a face on the long-term employed.

Demographic Data

In Connecticut, 137,229 residents have been unemployed for 6 months or longer starting from the fourth quarter of 2007 to the present. Of these, 34,322 or 25% were unemployed for 18 months or longer. Individuals unemployed for 18 months or longer tended to be slightly older, with about 5% more falling in the 55 and older age group as compared to individuals unemployed between 6 to 18 months (Table 1). Furthermore, analysis of all the unemployed during this recession shows the long-term unemployed are overly represented in the 55 and older age group.

Of the 137,229 long-term unemployed individuals, 60% were white, 14% were black, and 14% were Hispanic (Table 2). These percentages can be put into perspective by

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Table 1: Long-term unemployed by age group and length of unemployment

Length\Age	16-24	25-34	35-44	45-54	55-64	65+	Unknown	Total
Between 6 - 18 mos.	7,322	23,125	21,973	25,718	17,952	6,555	262	102,907
18 mos. or longer	1,499	6,684	7,218	8,810	6,812	3,235	64	34,322
Total	8,821	29,809	29,191	34,528	24,764	9,790	326	137,229

considering the composition of Connecticut's labor force. In 2009, whites made up 85.3% of Connecticut's labor force, blacks made up 9.3%, and the ethnicity for 9.2% of the Connecticut labor force was Hispanic.³

The distribution of the long-term unemployed by age generally followed the age distribution of the Connecticut labor force. An exception was the 16-24 age group, which accounts for 6.4% of the long-term unemployed, but makes up 12.9% of the labor force. The largest category, the 45-54 age group, makes up about 25% of both the 2009 labor force and the long-term unemployed. A closer look at the data shows between 35-40% of long-term unemployed black and Hispanic individuals fell into the 16-34 age group, while between 10-15% fell into the 55 and older category. Long-term unemployed whites, on the other hand, were mostly older workers, with above 30% falling in the 55 and older category and about 20-25% in the 16-34 age group.

The distribution of long-term unemployed males and females by age group and race/ethnicity was about equivalent. However, females account for 42.0% of all the long-term unemployed, though they made

up 48.3% of Connecticut's labor force in 2009.

Industry Data

The separating employer for each unemployment insurance claimant is recorded. Using this data, the industry of employment prior to an individual becoming unemployed can be analyzed. The data in Table 3 shows over 45% of the long-term unemployed previously worked in one of four sectors: manufacturing (14.0%), construction (11.6%), administrative and support (10.6%), and retail trade (10.1%). The 2009 average employment for these four sectors was slightly over 30%. Manufacturing and retail trade made up 10.6% and 11.1% respectively, however, in comparison to the percent of long-term unemployed, the 2009 workforce in construction and administrative and support was only 3.6% and 4.8% respectively.⁴ Over 25% of the long-term unemployed previously worked in one of the following five industries: health care and social assistance (6.7%), professional, scientific, and technical services (5.2%), wholesale trade (5.0%), finance and insurance (4.9%), and accommodation and food services (4.5%). The 2009 average employment for these five

Table 2: Long-term unemployed by age, gender, and race

Gender, Race \ Age	16-24	25-34	35-44	45-54	55-64	65+	UK	Total
Females	3,572	12,129	12,268	14,729	10,677	4,151	122	57,648
White	1,253	5,342	6,529	9,472	7,867	3,363	51	33,877
Black	939	2,566	2,029	2,012	1,030	287	16	8,879
Hispanic	975	2,645	2,105	1,536	627	136	29	8,053
Asian/Pacific Is.	n	254	378	327	267	69	n	1,345
Native Amer.	14	50	48	45	34	n	n	205
UK	342	1,272	1,179	1,337	852	283	24	5,289
Males	5,249	17,680	16,923	19,799	14,087	5,639	204	79,581
White	2,540	8,860	9,129	12,677	10,373	4,403	88	48,070
Black	871	2,772	2,686	2,583	1,188	343	31	10,474
Hispanic	1,219	3,737	3,004	2,252	1,023	286	21	11,542
Asian/Pacific Is.	n	347	443	428	311	127	n	1,733
Native Amer.	23	71	64	70	54	n	n	293
UK	525	1,893	1,597	1,789	1,138	470	57	7,469
Total	8,821	29,809	29,191	34,528	24,764	9,790	326	137,229

n = nondisclosable UK = Unknown

Table 3: Long-term unemployed by industry, age group, and race

Industry \ Age, Race	Total	16-24	25-34	35-44	45-54	55-64	65+	UK	White	Black	Hispanic	Asian/Pacific Is.	Native Amer.	UK
Manufacturing	19,189	715	2,734	3,564	5,511	4,759	1,872	34	11,255	1,837	3,322	788	43	1,944
Construction	15,950	932	3,568	3,828	4,390	2,480	705	47	11,185	1,225	1,853	150	58	1,479
Admin. & Support	14,594	1,057	3,796	3,365	3,471	2,102	762	41	6,529	2,949	3,374	279	53	1,410
Retail Trade	13,823	1,607	3,455	2,608	2,856	2,128	1,141	28	8,539	2,013	1,795	224	38	1,214
Health Care & Social Asst.	9,203	517	2,124	2,007	2,235	1,662	641	17	4,808	2,217	1,173	114	34	857
Prof. Sci., & Tech. Svcs.	7,165	162	1,281	1,557	1,862	1,580	709	14	5,242	528	484	264	14	633
Wholesale Trade	6,909	280	1,338	1,484	1,844	1,376	570	17	4,639	717	825	138	13	577
Finance and Insurance	6,659	120	1,130	1,538	1,829	1,585	448	9	4,709	737	439	225	16	533
Accom. & Food Services	6,159	799	1,796	1,337	1,351	641	226	9	3,162	1,222	1,050	134	30	561
Other Services	3,543	246	790	703	935	591	274	4	2,176	457	510	61	14	325
Transp. & Warehousing	3,538	175	741	778	943	626	265	10	1,876	689	525	56	9	383
Information	3,331	91	577	691	847	836	286	3	2,375	388	223	70	9	266
Educational Services	3,118	85	554	644	818	691	321	5	1,977	513	277	57	6	288
Arts, Enter., & Rec.	2,394	219	554	442	518	390	270	1	1,554	253	289	90	22	186
Real Estate	2,147	75	459	475	523	416	193	6	1,298	269	360	23	6	191
Public Administration	1,297	49	182	200	324	327	212	3	786	213	93	23	62	120
Mgmt. of Companies	1,088	13	149	267	302	257	97	3	782	120	71	n	n	80
Agriculture	597	74	159	134	104	97	29		142	20	394	n	n	33
Utilities	106	n	17	29	29	25	n		78	n	n	n	n	8
Mining & Extraction	61	n	10	15	12	14	n		46	n	n	n	n	7
UK	16,358	1,602	4,395	3,525	3,824	2,181	756	75	8,789	2,969	2,529	341	67	1,663
Total	137,229	8,821	29,809	29,191	34,528	24,764	9,790	326	81,947	19,353	19,595	3,078	498	12,758

n = nondisclosable UK = Unknown

sectors followed a similar breakdown and was slightly over 26%. A difference was health care and social assistance, which made up 16.4% of the 2009 workforce but only 6.7% of the long-term unemployed.

The majority of long-term unemployed between the ages of 16-34 came from the retail trade or administrative and support service sectors, whereas long-term unemployed 35 and over primarily came from manufacturing or construction. The majority of long-term unemployed blacks and Hispanics previously worked in administrative and support services (15.2% and 17.2%, respectively), whereas the majority of whites previously worked in manufacturing (13.7%).

Residency Data

The count of long-term unemployed individuals per town divided by the town's 2009 average labor force provides a long-term unemployment rate. The following map on page 5 shows the difference between the 2009 average unemployment rate (Avg UR) and this long-term unemployment rate (LT UR) for each town.

In general, towns with high unemployment rates tend to have high long-term unemployment rates.

Larger towns that fall into this category include Hartford, Bridgeport, Waterbury, New Britain, Meriden, East Hartford, and New Haven. Smaller towns with both high unemployment and long-term unemployment rates include Ansonia, Derby, Sprague, Plymouth, and Winchester.

Conversely, towns that have low unemployment rates tend to house a lower share of the long-term unemployed. Towns with some of the lowest unemployment and long-term unemployment rates include Lyme, Mansfield, New Canaan, Darien, Westport, and Greenwich. Exceptions to this trend include Thompson, Putnam, Brooklyn, and Windham, which have a high unemployment rate, but a comparatively low rate of long-term unemployed.

Concluding Remarks

The current recession is the most severe economic crisis since the Great Depression. Connecticut's unemployment rate reached 8% in April 2009, and has been hovering around 9% for the last nine months. With job growth expected to remain sluggish into 2011,⁵ the outlook for the long-term unemployed remains a

serious concern. The data available on long-term unemployed individuals can guide policy makers in creating programs that target specific groups, towns, and skill sets to help push the recovery forward. The data presented above only scratches the surface on the valuable information available through unemployment insurance claimant data. For additional data, please contact the author (Manisha.Srivastava@ct.gov).

¹ Unemployment insurance benefit extension details can be found at: <http://www.ctdol.state.ct.us/messages/euc08-q&a.htm>

² Approximately 15,000 individuals not residing in Connecticut are/were eligible for long-term unemployment compensation.

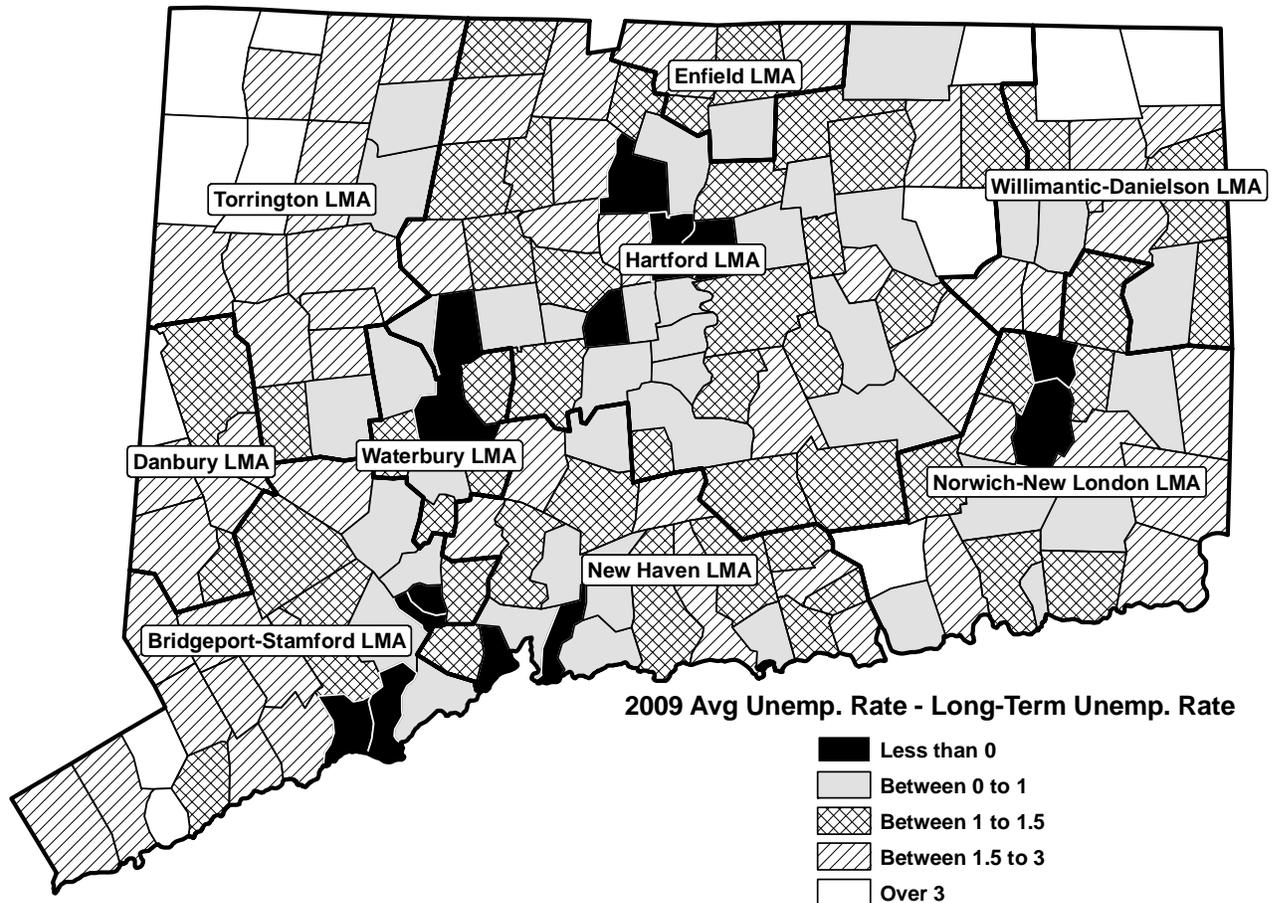
³ Data from the Current Population Survey (CPS) was used to calculate the 2009 labor force figures. Due to small sample size, caution must be used in analyzing CPS data. Source: <http://www.bls.gov/lau/table14full09.pdf>

⁴ Industry employment was calculated using 2009 QCEW data: http://www1.ctdol.state.ct.us/lmi/202/data/202state_2009.htm

⁵ Kennedy, Daniel W. June 2010. "Forecast to 2011: Navigating the Crosscurrents." *The Connecticut Economic Digest*.

--Continued on page 5--

Comparison of Long-Term Unemployed by Town



GENERAL ECONOMIC INDICATORS

	2Q 2010	2Q 2009	CHANGE		1Q 2010
			NO.	%	
<i>(Seasonally adjusted)</i>					
Employment Indexes (1992=100)*					
Leading	115.5	111.9	3.6	3.3	115.1
Coincident	102.4	103.2	-0.8	-0.8	102.0
General Drift Indicator (1986=100)*					
Leading	105.1	104.9	0.2	0.2	99.8
Coincident	106.9	107.8	-0.9	-0.8	106.6
Farmington Bank Business Barometer (1992=100)**	119.0	120.0	-1.0	-0.8	118.5
Philadelphia Fed's Coincident Index (July 1992=100)***	SEP	SEP			AUG
<i>(Not seasonally adjusted)</i>	2010	2009			2010
Connecticut	154.4	152.2	2.2	1.4	154.4
United States	159.0	156.5	2.5	1.6	159.0

Sources: *The Connecticut Economy, University of Connecticut **Farmington Bank ***Federal Reserve Bank of Philadelphia

The Connecticut Economy's **General Drift Indicators** are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and four leading (housing permits, manufacturing average weekly hours, Hartford help-wanted advertising, and initial unemployment claims) economic variables, and are indexed so 1986 = 100.

The **Farmington Bank Business Barometer** is a measure of overall economic growth in the state of Connecticut that is derived from non-manufacturing employment, real disposable personal income, and manufacturing production.

The **Philadelphia Fed's Coincident Index** summarizes current economic condition by using four coincident variables: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).